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NOTES:**

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## Tourism's Impact on Future Transportation Needs

### Highlights

- ❑ Tourism accounts for \$14 billion dollars of spending in Arizona each year.
- ❑ This amounts to \$385 million dollars of state tax revenue.
- ❑ "Adventure" vacations are becoming more popular.
- ❑ The Internet is becoming a more important tool for marketing your state to potential tourists.

### Background

In the past, visitors to Arizona were attracted to the climate, the area's natural beauty and the wide array of activities the state offers. Yet, the question emerges as to whether these attractions will be enough to draw the worldwide attention of the generations to come in what is regarded as a "New Economy". As mentioned in the first two reports of this series, "New Economy" was a term used to describe the technological revolution the world has been undergoing since the start of the last decade. Two aspects of this technological revolution will impact Arizona tourism in a major way. First, due to globalization and the increase in living standards that has resulted from this "New Economy", the possible array of tourist destinations has increased dramatically for the average tourist. Second, the Internet and the information technology revolution have

transformed the methods of exposing tourists to new destinations, allowing tourists to research these possibilities in new ways. In addition, the methods of purchasing tourism services have changed.

The conglomeration of all of these factors suggests that the only gauges that will be able to project the demand for future tourism services in Arizona will not be quantitative factors. Thus, however unsettling this situation may be for transportation planners—VisionEcon contends that the future transportation needs of Arizona tourists will not lend themselves to quantitative analysis. The gauges have become more qualitative measures: the effectiveness of virtual tours on the Internet, the number of links a tourism site has to other travel research websites, the ease of online booking, the success of niche marketing the site within the context of an outdoor or theme-adventure experience or simply just the luck of close proximity to another tourism site that has been successful in these areas.

Another transformation is occurring that does not receive as much exposure as the other changes mentioned above. And, this force is an important one to be reckoned with. This force embraces the proposition that the immensity of the Baby Boom generation has shaped the tourism market of the past. Yet, past strategies

may no longer succeed in this technologically advancing future. Not only is technology changing the market, but the generations that follow the huge force of the Baby Boom Generation are drastically different from the Baby Boom Generation itself.

With all of these technological and social waves cresting, the question emerges: is Arizona prepared for the changing demands that this flux in tourism could create on our transportation industry? To get to the answer of whether the state is ready for such changes, we need to understand the wants and needs of those who will support Arizona's tourism market in the future. Only then will we be able to access the future scope of the state's travel and tourism industry and its demands on the transportation system. This report will do just that by first looking at this break in the generations and then looking at how technology will change the travel market.

### **Types of Vacations**

Baby Boomers now enjoy Adventure Vacations as an option to the typical vacation. According to USA Today Magazine, over the last few years, the tremendous upswing in adventure travel has caught the public, and the travel industry, by surprise. They want to hike, go white-water rafting, fish, view wildlife, scuba dive, bicycle, sail, mountain climb and ride horses. Also, they are attending adventure-type camps, spas and other "theme-based" or cultural trips around the globe.

In addition, globalization has opened up the doors for most people to experience the wonder and beauty of many other cultures and locations. Because of globalization, people are becoming more familiar with other regions,

continents, cultures and activities. The isolation of countries is no longer an issue as friends are made on the Internet within other parts of the world and experiences are shared with those of other cultures.

The global economy has enjoyed excellent growth. Baby Boomers have possessed good-paying jobs, bought houses and cars, and were presented appliances that allowed them extra time and mobility. At first, these developments culminated into an increased ability to discover National Parks and National Forests in a citizen's own country. Now, the competition for the tourism aspirations of the Baby Boomer and the generations that follow comes from attractions across the globe. At the same time, Generation Xers are entering the tourist market desiring different aspects of a tourist experience.

Yet, both Baby Boomers and Generation Xers are continually looking to find a balance between the intensity of work and the release of recreation. Many trends in society today indicate that the public's love affair with the great outdoors will continue to grow well into the next century. As we spend more time in offices, the need to be more physically active can be expected to increase, leading us to more outdoor recreation. As a result, people will continue to be involved in wildlife and wilderness issues.

To test these generalizations, VisionEcon scanned information available from the Travel Industry Association in Washington, D. C. The following table is a small sample of the data available from the Association. However, any more in-depth information is only available for a fee that could not be covered by the budget for this project.

**Type of Travel Activity**  
(Data from Years 1999-2000)

|   | <b>Number of U.S. Adults Partaking in Activity</b> | <b>Percent of U.S. Adults</b> |
|---|--|-------------------------------|
| <b>Total Adult Population</b>   | <b>281,421,906</b>                                 | <b>100%</b>                   |
| Adventure Travel Trip in last 5 years                                 | 98,000,000   | 35%                           |
| Biking in last 5 years  | 27,000,000   | 10%                           |
| Camping in last 5 years   | NA   | 33%*                          |
| Educational travel in past 3 years                                    | 30,200,000   | 11%                           |
| Gambling  | NA   | 7%**                          |
| Garden Tours in last 5 years  | 40,000,000   | 14%                           |
| Golf  | 17,300,000   | 6%                            |
| Tennis  | 6,000,000  | 2%                            |
| National Parks in last year   | 30,000,000   | 11%                           |
| Romantic vacations  | 61,800,000   | 22%                           |
| Organized sport event in past 5 years                                 | 75,300,000   | 27%                           |
| Choosing destination via travel media                                 | 101,900,000  | 36%                           |
| Via Newspaper   | NA   | 28%*                          |
| Via Travel Agent  | 64,200,000   | 23%                           |
| Via Internet  | 59,000,000   | 21%                           |
| Via Television  | 5,100,000  | 2%                            |
| Weekend Trips versus vacations  |  |                               |
| At least one weekend trip per year                                    | 103,000,000  | 37%                           |
| All of vacation time spent traveling<br><b>(EMPLOYED ADULTS ONLY)</b> | NA   | 28%                           |

Source: Travel Industry Association website [www.tia.org](http://www.tia.org), "Travel Market Segments", Bureau of the Census.

\*Exact number of travelers not explicitly quoted by TIA. Percentage of U.S. Adults quoted.

\*\*Year of survey does not appear to be the year 2000, exact survey year unclear.

## Fastest-growing Tourist Attractions for 2000

Percentage Gain

|    |  |        |
|----|--|--------|
| 1  | Tombstone                                  | 128.0% |
| 2  | Organ Pipe Cactus National Monument        | 58.8%  |
| 3  | Pima Air & Space Museum                    | 48.3%  |
| 4  | Wildlife World Zoo                         | 35.5%  |
| 5  | Rawhide Western Town                       | 33.3%  |
| 6  | Navajo National Monument                   | 29.6%  |
| 7  | Hubbel Trading Post National Historic Site | 20.7%  |
| 8  | Desert Botanical Gardens                   | 11.8%  |
| 9  | Slide Rock State Park                      | 10.9%  |
| 10 | Old Tucson Studios                         | 5.8%   |

Source: Main source as Business Journal Book of Lists, unavailable/outlier data from National Park Service, Arizona Hospitality Research Center.

### Conclusions

Arizona's tourism industry is being forced onto a path of continuous evolution. According to numbers released by the Arizona Office of Tourism, \$13.8 billion dollars in total spending and \$385 million dollars of state tax revenue is at stake in Arizona. For transportation planners, VisionEcon contends that the key indicators of whether a tourist site will demand better transportation resources in the future will be qualitative measures. First, the planner will need to gauge whether the

marketing of the tourist attraction has woven its way into an outdoor/theme adventure experience and second, how well the marketing of the attraction makes use of virtual tours and the ease of booking these trips on the Internet. By examining these indicators, planners will be able to differentiate the sites that will flourish in the future from those that expire with the size of the Baby Boom Generation. Just as in the case study between Internet providers Prodigy and America Online, marketing will become king for tourism in the "New Economy".

The full report: *Tourism's Impact on Future Transportation Needs* by Debra Roubik (Arizona Department of Transportation, report number FHWA-AZ-01-507(3), published February 2002) is available from the Arizona Transportation Research Center, 206 S. 17 Ave., Mail Drop 075R, Phoenix, AZ 85007; phone 602-712-3138.